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Securities division reports \$2.1 million returned to investment fraud victims since 2013

DENVER — The Division of Securities, part of the Colorado Department of Regulatory Agencies (DORA), announced today that investors who were victims of investment fraud received a total of \$2,151,875 in restitution over the past two years.

After completing an analysis of its 2014 numbers, the Division of Securities, which is responsible for regulating and enforcing compliance with state standards by investment agencies and professionals, as well as protecting the public from fraudulent investment schemes, opened and completed a total of 149 major fraud investigations in 2013 and 2014. These inquiries resulted in 17 felony criminal prosecutions, 31 civil cases, and approximately \$18 million in court-ordered restitution.

"Our investigative team has done a tremendous job of uncovering and pursuing an ever-more complicated and far-reaching range of frauds and investment scams," said Colorado Securities Commissioner Gerald Rome. "I believe our numbers show that their work has paid off for Colorado's investors."

Cases of note include the 2013 prosecution and conviction of Gregory Russell who, along with multiple partners, operated a Ponzi scheme that robbed unsuspecting investors out of \$3.8 million. Russell, who was prosecuted by the Denver District Attorney's Office, has been ordered to pay the full amount in restitution, and is currently serving 18 years in prison.

Additionally, a 2014 civil action brought by the Division against Leland Energy Inc., which purportedly sold fraudulent oil and gas securities through an unlicensed solicitor, was ordered to pay a total of \$700,000 to victims over seven years. To date, \$100,000 of that amount has been returned.

Nickolas Maximoff, a 67-year-old resident of Arvada who fell victim to the Leland fraud, recently received a \$10,000 payout from the first round of restitution. "I never dreamed I'd see this much of my money returned, and it couldn't have come at a better time," said Maximoff of the compensation. "I'm just so grateful."

"Securities fraud losses are notoriously some of the hardest funds to recover from offenders, but the numbers we've shown are very reassuring. I am confident that we will continue to see high returns for our efforts on behalf of investors as we continue into 2015," said Rome.

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission. Visit www.dora.colorado.gov for more information or call 303-894-7855/toll free 1-800-886-7675.